**REMARKS/ARGUMENTS**

Reconsideration of the Office Action dated December 28, 2007 is respectfully requested.

Claims 23-29 and 35-38 were rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent Application Publication No. US 2003/0122774 ("Harada") in view of U.S. Patent No. 6,137,427 ("Binstead"). Independent claim 23 was currently amended to include features originally described in claims 29 and 30. Claims 29 and 30 were currently cancelled. It is respectively submitted that the combination of Harada and Binstead does not render claims 23-29 and 35-38 obvious. Harada and Binstead at least do not disclose the limitations of the "said membrane is made by film material" and "said induction layer consists of two or more layers, and the induction cells on respective induction layers are set to interlace each other" as recited in amended independent claim 23.

The Examiner found that either the thin dielectric film 10 in Binstead discloses the above mentioned limitation of "film material." (see Fig. 2C(10) and col. 4 lines 11-21). However, Binstead only states the existence of the thin dielectric film 10 and does not disclose the type of material used to form the dielectric film 10. However, the film material recited in claim 23 is transparent such as the film used in cameras and has advantages of reducing cost and simplifying manufacturing process.

Neither Harada nor Binstead discloses the limitation of "said induction layer consists of two or more layers, and the induction cells on respective induction layers are set to interlace each other" as recited in amended independent claim 23."

In his rejection to claim 30, the Examiner found that U.S. Patent No. 6,249,234 (Ely) discloses an induction layer that consists of two or more layers and the induction cells on respective induction layers are set to interlace each other. (see col. 8 lines 14-26 and fig. 24 (193, 195, 197), col. 24 lines 14-26). The applicant disagrees. In col. 8 lines 14-26, Ely states that PCB technology used to manufacture windings has a disadvantage of "positional errors generated in the output signals because the conductors do not lie on a single layer but on two or more separate layers." The PCB technology or windings do not perform the function of an induction layer and are not an induction layer as recited in claim 23. It simply discusses the conductors which are not an induction layer in this context. In any event, if Ely does teach an induction layer consisting two or more layers, it teaches away from claim 23.

In fig. 24 and col. 24 lines 14-26, Ely states below:

> "FIG. 24 shows a cross-sectional view of the liquid crystal display 183 shown in FIG. 23 taken through the line S—S. As shown, the display comprises a protective top layer 191 overlaying the liquid crystal layer 192 which is sandwiched between two layers of electrodes 193 and 195. An insulating layer 197 is provided behind the lower layer 195 of electrodes to electrically shield the electrode layer from the digitizer windings 199 which are sandwiched between two halves 201 and 203 of a substrate."

Ely discloses two electrodes disposed on both sides of the liquid crystal layer 192 which has nothing to do with an induction layer. In addition, Ely does not disclose anything with respect to the "induction cells on respective induction layers are set to interlace each other." Thus, Ely does not disclose the limitation of "said

induction layer consists of two or more layers, and the induction cells on respective induction layers are set to interlace each other" as recited in amended independent claim 23.

In view of the foregoing, the applicant suggests that the claim 23 is presently in the application are now in condition for allowance. The remaining claims, which depend directly or indirectly on claim 23, are also in condition for allowance. Thus, a favorable action in the form of a Notice of Allowance is respectfully requested at the Examiner's earlier convenience.

If for any reason the Examiner finds the application other than in condition for allowance, the Examiner is requested to call the undersigned attorney at the Los Angeles, California telephone number (310) 785-4600 to discuss the steps necessary for placing the application in condition for allowance.

If there are any fees due in connection with the filing of this response, please charge the fees to our Deposit Account No. 50-1314.

Respectfully submitted,
HOGAN & HARTSON L.L.P.

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